

Message Text

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PAGE 01 STATE 079306

11

ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 IO-14 ISO-00

SS-20 NSC-07 L-03 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-10 NSAE-00 RSC-01 FAA-00 /148 R

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----- 115385

R 182125Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY ABIDJAN

AMEMBASSY ATHENS

AMCONSUL AUCKLAND

AMEMBASSY BEIRUT

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BRIDGETOWN

AMEMBASSY BOGOTA

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMCONSUL CASABLANCA

AMEMBASSY COPENHAGEN

AMCONSUL CURACAO

AMEMBASSY DUBLIN

USMISSION GENEVA

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PAGE 02 STATE 079306

AMEMBASSY GEORGETOWN

AMEMBASSY GUATEMALA
AMEMBASSY HELSINKI
AMCONSUL JOHANNESBURG
AMCONSUL KARACHI
AMEMBASSY KINGSTON
AMEMBASSY LAGOS
AMEMBASSY LIMA
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MANAGUA
AMEMBASSY MANILA
AMCONSUL MELBOURNE
AMEMBASSY MEXICO
AMEMBASSY MONTEVIDEO
AMCONSUL MONTREAL
AMEMBASSY MOSCOW
AMEMBASSY NAIROBI
AMEMBASSY NASSAU
AMEMBASSY NEW DELHI
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PANAMA
AMEMBASSY PARIS
AMEMBASSY PORT AU PRINCE
AMEMBASSY PORT OF SPAIN
AMEMBASSY PRAGUE
AMEMBASSY QUITO
AMEMBASSY REYKJAVIK
AMCONSUL RIO DE JANEIRO
AMEMBASSY ROME
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTIAGO
AMEMBASSY SANTO DOMINGO
AMEMBASSY SEOUL
AMEMBASSY SOFIA
AMEMBASSY STOCKHOLM
AMCONSUL SYDNEY
AMEMBASSY TAIPEI
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PAGE 03 STATE 079306

AMEMBASSY TEGUCIGALPA
AMEMBASSY TEL AVIV
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMCONSUL VANCOUVER

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EE.O. 11652:N/A

TAGS: ETRN, XX

SUBJECT: CIVAIR - FOREIGN GOVERNMENT SUBSIDIES TO
FOREIGN AIRLINES

1. THE RECENT FUEL SHORTAGE AND ACCOMPANYING ESCALATING FUEL PRICES HAVE STIMULATED APPLICATIONS FOR RELIEF BY U.S. INTERNATIONAL CARRIERS TO ENABLE THEM TO SURVIVE AGAINST FOREIGN COMPETITION. IN THIS CONTEXT, THE POINT HAS BEEN MADE THAT MOST FOREIGN CARRIERS RECEIVE SUBSIDIES IN ONE FORM OR ANOTHER FROM THEIR GOVERNMENTS.

2. IT WOULD BE HELPFUL TO DEPT IF ADDRESSEE POSTS WOULD CAREFULLY REVIEW THE SITUATION WITH RESPECT TO FOREIGN CARRIERS OF THE HOST COUNTRY WHICH COMPETE WITH U.S. INTERNATIONAL CARRIERS AND REPORT INsofar AS INFORMATION IS AVAILABLE ON THE NATURE, OPERATION AND AMOUNT OF SUCH GOVERNMENT ASSISTANCE TO FOREIGN AIRLINES FOR 1973.

3- FOR GUIDANCE OF ADDRESSEE POSTS, ASSISTANCE CONSISTS OF BOTH DIRECT AND INDIRECT FORMS OF FOREIGN GOVERNMENT ASSISTANCE TO ITS CARRIERS. DIRECT ASSISTANCE REFERS TO CAPITAL CONTRIBUTIONS AND SUBSIDIES, OR CONTINUING DEFICITS.

4. INDIRECT ASSISTANCE INCLUDES ANY RELATIONSHIP BETWEEN GOVERNMENT AND CARRIER WHICH PERMITS THE CARRIER TO OBTAIN

PRODUCTS OR SERVICES AT LESS THAN PREVAILING MARKET PRICES. EXAMPLES OF INDIRECT ASSISTANCE ARE:

GOVERNMENT LOANS OR LOAN GUARANTEES WHICH PERMIT BORROWING LIMITED OFFICIAL USE

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PAGE 04 STATE 079306

AT INTEREST RATES BELOW COMMERCIAL RATES;
PREFERENTIAL RATES OR DISCOUNTS FOR LANDING FEES, AIRPORT CHARGES AND TAXES, AND FUEL COSTS;
INCOME TAX BENEFITS TO EMPLOYEES WHICH REDUCE THE CARRIER'S WAGE BILL;
PARTIAL OR FULL RELIEF FROM CORPORATE IN OTHER INCOME TAXES.

5. PROVIDE WHEREVER POSSIBLE CITATION OF APPLICABLE LAW OR REGULATION COVERING EACH FORM OF ASSISTANCE AND AN ESTIMATE OF DOLLAR VALUE FOR 1973.

6. DEPARTMENT IS AWARE OF PROBLEMS INVOLVED IN OBTAINING INFORMATION ON THIS SUBJECT, BUT WOULD APPRECIATE RESPONSE BASED ON INFORMATION THAT IS READILY AVAILABLE TO

POSTS. KISSINGER

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: CIVIL AVIATION, SUBSIDIES, AIRLINES, CENTRAL GOVERNMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 18 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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Original Handling Restrictions: n/a
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Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by boyleja>; APPROVED <06 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
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30 JUN 2005

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